SAN LUIS OBISPO COUNTY
TREASURY OVERSIGHT COMMITTEE (CTOC)

TO: Honorable Board of Supervisors

FROM: Mary Jarvis, Chairperson
County Treasury Oversight Committee

DATE: November 13, 2012

SUBJECT: Presentation of Annual Compliance Audit of the County Treasurer's Investment Policy and Oversight Procedures for Fiscal Year Ended June 30, 2012

Recommendation

It is recommended that your Honorable Board receive, review, and file the attached Compliance Audit Report on the San Luis Obispo County Treasurer's Investment Policy and Oversight Procedures for the fiscal year ended June 30, 2012.

Discussion

The County Treasury Oversight Committee (CTOC) was established in 1996, to promote the public interest by involving Treasury pool participants and a member of the public in the oversight of the County Treasury. One of the duties of the CTOC is to cause an annual audit to be conducted to determine the County Treasurer's compliance with the Investment Policy and oversight procedures. To comply with this requirement for fiscal year 2011-12, the CTOC entered into an agreement with the County Auditor-Controller.

The County Auditor-Controller reports that "We determined the CTOC, Treasurer, and Investment Policy to be in compliance with the Board of Supervisors' Resolutions 2007-303, 96-48, and 96-49, for the year ended June 30, 2012." Resolution No. 2007-303 amended the County Treasury Oversight Committee Operations to provide flexibility to the process, Resolution No. 96-48 provides for the quarterly reporting of investment operations by the County Treasurer, and Resolution No. 96-49 provides for the annual rendering of an Investment Policy by the County Treasurer. The audit report was presented at the October 24, 2012, CTOC meeting where it was reviewed and approved.

Other Agency Involvement/Impact

The Auditor-Controller's Office conducted the audit. The Administrative Office and County Schools have employees who participate in the CTOC. The Treasurer-Tax Collector staff serves as administrative support to the CTOC.

Financial Consideration

There are no additional financial considerations associated with this audit report.

Results

One of the goals of the County Treasurer is to manage the investment pool, which includes deposits from the County, schools, and special districts, in a manner that ensures the preservation of capital and provides the ability to meet the cash flow needs of the investment pool participants. The Investment Policy Compliance Audit Report is an indicator that this goal, which contributes to the communitywide result of a "Prosperous Community," is being met by providing information to the Board of Supervisors and the public regarding Investment Policy compliance when investing public funds.